



**LEGISLATIVE POSITION:**

**UNFAVORABLE**

**Senate Bill 528**

**Climate Solutions Now Act of 2022**

**Senate Education, Health, and Environmental Affairs Committee**

**Tuesday, February 15, 2021**

Dear Chairman Pinsky and Members of the Committee:

Founded in 1968, the Maryland Chamber of Commerce is the leading voice for business in Maryland. We are a statewide coalition of more than 5,500 members and federated partners, and we work to develop and promote strong public policy that ensures sustained economic recovery and growth for Maryland businesses, employees, and families.

SB 528 is an extensive and dense piece of legislation proposing major changes to Maryland's policies relating to the emission of greenhouse gas. Despite the many different and worrisome proposals, the Maryland Chamber of Commerce has a few primary concerns with SB 528 as introduced:

1. Maryland's existing climate plans are required to achieve a greenhouse gas reduction target while simultaneously increasing jobs and economic benefits. The current plan meets that standard and is therefore a win-win for Maryland. SB 528 changes the current standard by modifying the net benefit test to compare proposals to "no-action" by the rest of the world. By comparing jobs and economic impacts to a global climate catastrophe than any measure, no matter how draconian, will be a positive.

**SB 528 essentially eliminates the requirement that the plan result in a net economic benefit to the State's economy and a net increase in jobs.**

2. The GHG reduction goals outlined in SB 529 are more stringent than those recommended by the Biden Administration or international organizations such as the United Nations. The net-zero goals by 2050, which have been widely accepted, has been used by the private sector in sustainability plans almost exclusively. SB 528 does no more than move the goal post on targets that have been the basis of GHG reduction plans across the State.

3. This legislation calls for expensive requirements for new and renovated commercial buildings. SB 528 requires MDE to adopt new building codes by January 1, 2023, forbidding the use of fossil fuel for heating and hot water. Further, the “cost-effectiveness waiver” in the bill will likely be a rare occurrence due to the “cost’ vs “social cost” calculation. With an extraordinarily quick adoption time, a waiver system that is unlikely to be used, and a total lack of retrofit incentives to offset costs, SB 528 is setting commercial buildings up for compliance failure.
4. Further, SB 528 imposes a building tax on existing commercial buildings for those that are unable to reduce their carbon emissions by schedule outlined in the legislation. The fee for this tax will be at least \$51 per ton. For a sector that is under enormous pressure from the economic fallout of COVID-19, levying an additional tax will only further harm anemic recovery.

SB 528 creates significant challenges for existing businesses and future economic development in Maryland. This legislation effectively removes the consideration of economic impact from the State’s GHG reduction plans. It requires costly retrofits and upgrades on commercial buildings without any means of offsetting costs or providing incentives. It adds a new tax on businesses and upends many corporate GHG reduction and sustainability plans by setting goals out of line with our federal government and international organizations. Finally, it places Maryland at a significant regional economic competitiveness disadvantage. SB 528 ultimately phases out the use of other affordable energy sources that are critical to every jurisdiction in our State.

For these reasons, the Maryland Chamber of Commerce respectfully requests an **unfavorable report** on SB 528.

